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ALSO MEMBER OF PENNSYLVANIA BAR **NEW JERSEY BAR +MARYLAND BAR IFLORIDA BAR

JOHN C. PHILLIPS, JR. STEPHEN W. SPENCE.

LISA C. MCLAUGHLIN JAMES P. HALL

DAVID A. BILSON ***

STEPHEN A. SPENCE AARON C. BAKER

MEGAN C. HANEY

ROBERT S. GOLDMAN ...

November 5, 2012

VIA FEDERAL EXPRESS

Jeff S. Jordan, Esquire Supervisory Attorney Complaints Examination and Legal Administration Federal Election Commission 999 E Street NW Washington, DC 20463

> RE: Alex Pires for U.S. Senate

> > **MUR6665**

Our File: PIRES-168

Dear Mr. Jordan:

My name is Stephen W. Spence. I am a lawyer. I am also the campaign treasurer for the campaign of Alex Pires for U.S. Senate. On October 22, 2012, I received your letter stamped October 17, 2012. On behalf of myself, the campaign, and Mr. Pires, I have investigated the matters raised in Mr. Daniello's complaint, and this letter is a group response for all of the parties contained on the list enclosed as Exhibit A. As I have noted on that list, several of the entities that received an investigative letter do not exist or have no connection to the campaign. This letter responds by category to the matters raised in Mr. Daniello's complaint. If you need any additional information or would like to discuss the matter further, please do not hesitate to contact me at my Wilmington, Delaware law office.

The "Kick Off Event" on May 26, 2012 at The Bottle & Cork. On May Α. 26, 2012, Mr. Pires made a very brief appearance on the stage of the Bottle & Cork to announce to the public in attendance his candidacy for the United States Senate. Mr. Daniello's complaint characterizes it as an "event." In reality, it was just a cameo appearance by Mr. Pires at a previously-scheduled and unrelated Bottle & Cork event.

The business known as The Bottle & Cork is a tradename for a Delaware corporation known as Bottle Taproom, Inc ("BTI"). BTI is owned by Mr. Pires. There is no

Jeff S. Jordan, Esquire November 5, 2012 Page 2

company by the name of Bottle & Cork, Inc. BTI operates a Delaware alcoholic beverage licensed taproom. It is not required to and does not serve food to the public at this location. The Memorial Day weekend of 2012 was its opening weekend for the summer season. The Bottle & Cork held an event known as "Jam Session" at 5:00 p.m. on May 26, 2012, as it does each weekend throughout the summer.

Mr. Pires took to the stage during a break in the music for a two or three minute announcement, and he then left the stage. Neither he, his campaign, nor BTI offered anyone free food or alcohol on May 26, 2012, much less in connection with a "Kick Off Event." Mr. Daniello's complaint, by failing to mention that Mr. Pires was on stage for only a few minutes and that there were no other campaign related activities going on inside the premises, implies that this was a traditional campaign grand opening event. I attended the Bottle & Cork that evening and personally observed Mr. Pires on stage. He made his announcement, thanked the crowd for their hopeful support, and exited the stage. The bands then got back to playing music and the patrons carried on as they do every summer weekend.

On the same day, outside The Bottle & Cork premises, a table was set up with an "Alex Pires for U.S. Senate" sign on it. At the table were several paid campaign staff and volunteers who solicited signatures from Delaware registered voters to get Mr. Pires on the Delaware ballot. At the time Mr. Pires announced his campaign, he was unaffiliated with any political party and needed to gather signatures to gain ballot access. He later became a member of the Independent Party of Delaware, and his petition campaign, although very successful, was discontinued.

Several of the individuals who collected petitions at that table were paid by me \$50 each in cash. There were also two volunteers who were present soliciting signatures. My payments were recorded as part of a contribution to the campaign which totaled \$300. None of the people who were working for the campaign that day asked to or were authorized to enter The Bottle & Cork for any reason. None of the people working for the campaign were wearing Bottle & Cork t-shirts. If any Bottle & Cork employees who were wearing Bottle & Cork t-shirts solicited signatures from anyone, they did so without the knowledge or permission of the campaign.

B. The Woodward Outdoor Equipment Company Event held on June 11, 2012. We are still investigating, but we believe this event was held on a property owned by an individual named Christopher Woodward who allowed the campaign to use his driveway and front lawn for approximately one hour. Jimmy's Grille & Catering, LLC, a company affiliated with Mr. Pires that has a regional catering business, supplied 100 pieces of chicken, one tray of rolls, and some cole slaw. Jimmy's Grille and Catering, LLC prepared an invoice to the campaign totaling \$166 which was delivered to the billing clerk for Highway I Limited

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Partnership in Dewey Beach, Delaware. The billing clerk forgot to give the bill to me. Once I received Mr. Daniello's complaint, I inquired about this matter and received the bill from the clerk. The bill (copy enclosed) was paid by the campaign on November 2, 2012.

I was not present during this event, but I am advised that less than 10 members of the public attended and fewer than 10 pieces of chicken were eaten by the attendees. This event occurred within the first two weeks of the campaign. The bill processing problem could have been handled more efficiently, but it was simply an innocent mistake.

C. <u>Attribution in Public Communications by the Campaign</u>. Mr. Pires and I discussed the proper attribution of campaign public communications just prior to the filing of the initial statement of candidacy with the FEC.

i. The 36yearsisenough.com Website.

The campaign paid for a website with the URL address of "36yearsisenough.com." When the site was developed, the designer included the following attribution language: "Copyright ©2012, Alex Pires for U.S. Senate, All rights reserved." This attribution appeared on the opening page of the site. As treasurer, I did not review the original attribution language until Mr. Daniello leaked a copy of his complaint to the local newspapers. As soon as I became aware of the complaint, the attribution language was revised on the website to add, "Paid for and authorized by Alex Pires for U.S. Senate." The campaign has paid all costs related to the design and maintenance of the website.

ii. The "Five Things I Believe" Handout.

A copy of this handout was enclosed with Mr. Daniello's complaint. Mr. Pires prepared this document and used it as a handout at several meetings he attended early in the campaign. He did not understand this to be a "campaign advertisement," and as a first time candidate he did not think that the "Paid for by Alex Pires for U.S. Senate" attribution was required. It was distributed to approximately 100 potential voters. It was written by Mr. Pires in the first person and delivered by Mr. Pires (or those working for him) while he was present. There could be no doubt who prepared or distributed the document.

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iii. The 5"x7" campaign card with pictures.

This campaign material was designed by the campaign and was printed in May 2012. When the first order of 5,000 pieces was printed, the card did not contain the proper attribution language. It was distributed on several early campaign stops. At some point in June 2012, the campaign manager noticed that there was no attribution language. The cards were then thrown away and a new set was printed in July. A copy of the new card is enclosed. Both cards were designed and paid for by the campaign through our contractor, Group J. Design.

We request that you, on behalf of the Commission, dismiss this complaint as one that does not warrant the use of Commission resources. If you conclude that some form of conciliation process is warranted, please contact me.

Very truly yours,

STEPHEN W. SPENCE

SWS\tap
Enclosures

pc: Alexander J. Pires, Jr.

EXHIBIT A

- 1. The Bottle & Cork, Inc. does not exist.
- 2. Jimmy's Grille and Catering, Inc. has not existed since 2009.
- 3. Jimmy's Grille of Dewey Beach, LLC operates in Dewey Beach, Delaware and has not been involved in the campaign.
- 4. Jimmy's Grille & Catering, LLC is a restaurant and caterer in Bridgeville, Delaware. It is owned by Highway I Limited Partnership, a company affiliated with Mr. Pires and it sold catered food to the campaign.
- 5. Bottle, Inc. a Delaware corporation owned by Mr. Pires and it did not supply anything to the campaign.
- 6. Highway I Limited Partnership a Delaware limited partnership. The general partner is Bottle, Inc. Highway I Limited Partnership has been reimbursed for some office supplies and materials purchased by credit card.
- 7. Rusty Rudder, LLC owned by Highway I Limited Partnership, has been paid rent by the campaign for use of a conference room/office.
 - 8. Alex Pires for U.S. Senate official campaign committee.
 - 9. Alexander J. Pires, Jr. the candidate.
 - 10. Stephen W. Spence Treasurer of Alex Pires for U.S. Senate.



ALEX PIRES came from nothing...his parents had 8TH grade educations...he washed dishes every day for two years to pay for college...received a full scholarship to law school...worked for the U.S. Department of Justice under Republican and Democratic presidents...practiced law, representing family farmers, for 26 years...did well, invested all of his money into Delaware small businesses, and even started a community bank.

TOM CARPER has been in office for 36 years, and has never held a job outside of government...during the past 12 years, he has accepted \$131,000 from MBNA, \$90,000 from J.P. Morgan, \$80,000 from Citigroup and \$44,000 from Bank of America... plus \$30,000 from the Koch Brothers...Mr. Carper has become rich (one of the richest Senators in the United States), worth some \$7.5 million dollars, owning shares of stock in over 150 corporations, on a civil servant's salary.

36YearsIsEnough.com IndependentAlex.com

PAID FOR BY ALEX PIRES FOR U.S. SENATE



















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Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation



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STATEMENT OF DESIGNATION OF COUNSEL Please use one form for each Respondent/Entity/Treas FAX (202) 219-3923 MUR# 6665 NAME OF COUNSEL: Stephen W. Spence Phillips, Goldman & Spence, P.A. 1200 N. Broom Street ADDRESS:____ Wilmington, DE 19806 TELEPHONE- OFFICE (302) 655-4200 FAX (302) 655-4210 The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf/before the Commission. Candidate 11/5/2012 Respondent/Agent -Signature Date Title(Treasurer/Candidate/Owner) NAMED RESPONDENT: ___ Alexander J. Pires, Jr. **MAILING ADDRESS:_** (Please Print) Dewey Beach, DE 19971

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